

OUE Real Estate Investment Trust
(Formerly known as OUE Commercial Real Estate
Investment Trust) and its subsidiaries

(Constituted in the Republic of Singapore pursuant to a trust
deed dated 10 October 2013 (as amended))

Condensed Interim Financial Information
Six-month period and financial year ended
31 December 2023

Introduction

OUE Real Estate Investment Trust (“OUE REIT”) (formerly known as OUE Commercial Real Estate Investment Trust) was constituted by a trust deed dated 10 October 2013 (as amended) entered into by OUE REIT Management Pte. Ltd. (formerly known as OUE Commercial REIT Management Pte. Ltd) as the Manager of OUE REIT (the “Manager”) and DBS Trustee Limited as the Trustee of OUE REIT (the “Trustee”).

OUE REIT was listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 27 January 2014. The principal investment strategy of OUE REIT is to invest, directly or indirectly, in a portfolio of income-producing real estate used primarily for commercial (including real estate used primarily for office and/or retail purposes) in financial and business hubs and hospitality and/or hospitality-related purposes, within and outside of Singapore, as well as real estate-related assets.

OUE REIT’s portfolio currently comprises 7 prime properties located in Singapore and Shanghai:

- **One Raffles Place:** Integrated commercial development comprising two Grade-A office towers and a retail mall strategically located in the heart of Singapore’s central business district in Raffles Place. OUE REIT holds One Raffles Place (“ORP”) through its 83.33% interest in OUB Centre Limited (“OUBC”). As OUBC owns 81.54% of the beneficial interest in ORP, OUE REIT has an effective interest of 67.95% in ORP.
- **OUE Downtown Office:** The Grade A office space at OUE Downtown, a mixed-used development with Grade A offices, a retail podium and serviced residences located at Shenton Way in Singapore.
- **Mandarin Gallery:** High-end retail mall with 152-metre frontage situated along Orchard Road, Singapore and is the preferred location for flagship stores of international brands.
- **Hilton Singapore Orchard:** A renowned upscale hotel with strong brand recognition. With 1,080 rooms, Hilton Singapore Orchard is the largest hotel located in the heart of Orchard Road.
- **Crowne Plaza Changi Airport:** An airport hotel situated within the vicinity of passenger terminals of Singapore Changi Airport and is connected to Jewel Changi Airport via a pedestrian bridge from Terminal 3.
- **OUE Bayfront:** Premium Grade-A office building with ancillary retail facilities located between the new Marina Bay downtown and Raffles Place, within Singapore’s central business district. OUE REIT has a 50% interest in OUE Bayfront via its interest in OUE Allianz Bayfront LLP.
- **Lippo Plaza:** Grade-A commercial building located along Huai Hai Middle Road in the Huangpu district, one of Shanghai’s established core commercial districts. OUE REIT has 91.2% strata ownership of Lippo Plaza.

OUE REIT’s distribution policy is to distribute at least 90% of its taxable income, on a semi-annual basis, with the actual level of distribution to be determined at the Manager’s discretion.

Summary of OUE REIT Group Results

	2H 2023⁽¹⁾ (\$'000)	2H 2022⁽²⁾ (\$'000)	Change (%)	FY 2023⁽¹⁾ (\$'000)	FY 2022⁽²⁾ (\$'000)	Change (%)
Revenue	146,253	125,670	16.4	285,055	241,507	18.0
Net property income	119,702	103,311	15.9	234,967	196,915	19.3
Amount available for distribution to Unitholders ⁽³⁾	57,723	52,084	10.8	115,307	111,626	3.3
Add: Amount released	–	4,600 ⁽⁴⁾	NM	–	4,600 ⁽⁴⁾	NM
Amount to be distributed to Unitholders	57,723	56,684	1.8	115,307	116,226	(0.8)
Distribution per Unit (“DPU”) (cents)	1.04	1.04	–	2.09	2.12	(1.4)

NM: Not meaningful

Footnotes:

- (1) The current period results of OUE REIT’s foreign subsidiaries are translated using the SGD:CNY rate of 1:5.2516 for 2H 2023 and 1:5.2743 for FY 2023.
- (2) The prior period results of OUE REIT’s foreign subsidiaries are translated using the SGD:CNY rate of 1:5.047 for 2H 2022 and 1:4.897 for FY 2022.
- (3) Net of retention for ongoing working capital requirements.
- (4) Released \$4.6 million capital distribution from divestment of 50% interest in OUE Bayfront.

Statements of Financial Position
As at 31 December 2023

	Note	Group		Trust	
		31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Non-current assets					
Plant and equipment		193	221	–	–
Investment properties	3	5,630,357	5,539,164	930,000	930,000
Investments in subsidiaries		–	–	2,683,406	2,553,963
Investment in joint venture	4	353,719	347,332	316,878	316,878
Financial derivatives		–	21,590	–	6,657
Trade and other receivables	5	4,805	4,334	–	–
Loans to a subsidiary	6	–	–	32,100	55,000
		<u>5,989,074</u>	<u>5,912,641</u>	<u>3,962,384</u>	<u>3,862,498</u>
Current assets					
Trade and other receivables	5	22,138	20,592	4,852	3,083
Cash and cash equivalents		54,225	49,482	3,274	3,749
Financial derivatives		3,274	6,390	869	2,099
		<u>79,637</u>	<u>76,464</u>	<u>8,995</u>	<u>8,931</u>
Total assets		<u>6,068,711</u>	<u>5,989,105</u>	<u>3,971,379</u>	<u>3,871,429</u>
Non-current liabilities					
Borrowings	7	2,055,119	1,721,841	394,797	392,468
Loans from a subsidiary	7	–	–	400,000	400,000
Trade and other payables	8	41,655	39,878	11,862	11,467
Financial derivatives		244	–	244	–
Deferred tax liabilities		64,356	76,109	–	–
Lease liability		22,716	25,146	–	–
		<u>2,184,090</u>	<u>1,862,974</u>	<u>806,903</u>	<u>803,935</u>
Current liabilities					
Borrowings	7	–	327,618	–	–
Trade and other payables	8	90,340	76,271	24,564	28,920
Current tax liabilities		16,151	14,741	–	–
Lease liability		100	134	–	–
		<u>106,591</u>	<u>418,764</u>	<u>24,564</u>	<u>28,920</u>
Total liabilities		<u>2,290,681</u>	<u>2,281,738</u>	<u>831,467</u>	<u>832,855</u>
Net assets		<u>3,778,030</u>	<u>3,707,367</u>	<u>3,139,912</u>	<u>3,038,574</u>

The accompanying notes form an integral part of the condensed interim financial information

Statements of Financial Position (continued)
As at 31 December 2023

	Note	Group		Trust	
		31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Represented by:					
Unitholders' funds		3,311,192	3,240,073	2,927,603	2,826,265
Convertible Perpetual Preferred Units ("CPPU") holder's funds	9	212,309	212,309	212,309	212,309
		<u>3,523,501</u>	<u>3,452,382</u>	<u>3,139,912</u>	<u>3,038,574</u>
Non-controlling interests		254,529	254,985	–	–
		<u>3,778,030</u>	<u>3,707,367</u>	<u>3,139,912</u>	<u>3,038,574</u>
Units in issue and to be issued ('000)	10	<u>5,492,950</u>	<u>5,470,950</u>	<u>5,492,950</u>	<u>5,470,950</u>
Net asset value per Unit (\$)	11	<u>0.60</u>	<u>0.59</u>	<u>0.53</u>	<u>0.52</u>

The accompanying notes form an integral part of the condensed interim financial information

Statement of Total Return
Six-month period and financial year ended 31 December 2023

	Note	Group			
		Six-month period ended 31 December 2023 \$'000	Six-month period ended 31 December 2022 \$'000	Financial year ended 31 December 2023 \$'000	Financial year ended 31 December 2022 \$'000
Revenue	12	146,253	125,670	285,055	241,507
Property operating expenses		(26,551)	(22,359)	(50,088)	(44,592)
Net property income		119,702	103,311	234,967	196,915
Other income		–	891	–	8,766
Amortisation of intangible asset		–	(1,250)	–	(3,750)
Write-off of intangible asset		–	(5,417)	–	(5,417)
Manager's management fees		(8,095)	(7,998)	(16,011)	(15,756)
Manager's performance fees		(1,643)	–	(1,643)	–
Trustee's fee		(484)	(480)	(961)	(998)
Other expenses		(653)	(1,935)	(611)	(2,755)
Finance income		13,346	25,018	15,483	27,001
Finance costs		(69,112)	(48,562)	(127,326)	(81,967)
Net finance costs	13	(55,766)	(23,544)	(111,843)	(54,966)
Net income		53,061	63,578	103,898	122,039
Share of joint venture results		12,635	28,811	16,886	37,108
Net change in fair value of investment properties		87,474	139,727	87,474	139,727
Total return for the period/year before tax	14	153,170	232,116	208,258	298,874
Tax credit/(expense)	15	4,440	(4,847)	(2,479)	(11,191)
Total return for the period/year		157,610	227,269	205,779	287,683
Total return attributable to:					
Unitholders and CPPU holder		155,318	218,162	200,109	275,574
Non-controlling interests		2,292	9,107	5,670	12,109
		157,610	227,269	205,779	287,683
Earnings per Unit (cents)					
Basic	16	2.81	3.97	3.61	5.01
Diluted	16	2.68	3.78	3.45	4.77

The accompanying notes form an integral part of the condensed interim financial information

Distribution Statement
Six-month period and financial year ended 31 December 2023

	Group			
	Six-month period ended 31 December 2023 \$'000	Six-month period ended 31 December 2022 \$'000	Financial year ended 31 December 2023 \$'000	Financial year ended 31 December 2022 \$'000
Amount available for distribution to Unitholders at beginning of the period/year	60,625	62,215	59,938	77,334
Total return for the period/year attributable to Unitholders and CPPU holder	155,318	218,162	200,109	275,574
Less: Amount reserved for distribution to CPPU holder	(1,109)	(1,109)	(2,200)	(2,200)
Less: Amount retained for working capital requirements	(5,000)	(3,000)	(8,000)	(6,000)
Distribution adjustments (Note A)	(91,486)	(161,969)	(74,602)	(155,748)
Amount available for distribution for the period/year	57,723	52,084	115,307	111,626
Add: Amount released*	–	4,600	–	4,600
Amount to be distributed to Unitholders (Note B)	57,723	56,684	115,307	116,226
Distributions to Unitholders:				
- Distribution of 1.37 cents per Unit for the period from 1/7/2021 to 31/12/2021	–	–	–	(74,661)
- Distribution of 1.08 cents per Unit for the period from 1/1/2022 to 30/6/2022	–	(58,961)	–	(58,961)
- Distribution of 1.04 cents per Unit for the period from 1/7/2022 to 31/12/2022	–	–	(56,897)	–
- Distribution of 1.05 cents per Unit for the period from 1/1/2023 to 30/6/2023	(57,535)	–	(57,535)	–
	(57,535)	(58,961)	(114,432)	(133,622)
Amount available for distribution to Unitholders at the end of the period/year	60,813	59,938	60,813	59,938
Distribution per Unit ("DPU") (cents)	1.04	1.04	2.09	2.12

* In 2H 2022, OUE REIT Group released \$4.6 million capital distribution from divestment of 50% interest in OUE Bayfront.

The accompanying notes form an integral part of the condensed interim financial information

Distribution Statement (continued)
Six-month period and financial year ended 31 December 2023

Note A – Distribution adjustments

	Group			
	Six-month	Six-month	Financial	Financial
	period ended	period ended	year ended	year ended
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Net change in fair value of investment properties	(87,474)	(139,727)	(87,474)	(139,727)
Amortisation of intangible asset	–	1,250	–	3,750
Write-off of intangible asset	–	5,417	–	5,417
Amortisation of debt establishment costs	2,747	11,119	5,667	14,740
Ineffective portion of changes in fair value of cash flow hedges	(1,684)	(314)	(2,040)	(2,177)
Net change in fair value of financial derivatives	9,247	(1,778)	21,267	(1,778)
Hedging reserve transferred from unitholders' funds due to discontinuation of hedge accounting	–	(22,058)	–	(22,058)
Manager's management fees paid/payable in Units	3,408	3,999	6,179	7,878
Trustee's fee	484	480	961	998
Foreign exchange differences	7	102	44	149
Deferred tax credit	(10,393)	(1,654)	(10,023)	(1,222)
Straight-lining of lease incentives	823	367	(3,017)	(1,986)
Transfer to statutory reserve	(471)	(525)	(1,064)	(1,207)
Other items	(8,180)	(18,647)	(5,102)	(18,525)
Distribution adjustments	<u>(91,486)</u>	<u>(161,969)</u>	<u>(74,602)</u>	<u>(155,748)</u>

Note B – Amount to be distributed to Unitholders

	Group			
	Six-month	Six-month	Financial	Financial
	period ended	period ended	year ended	year ended
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Comprises:				
- From operations	49,562	33,409	93,335	79,470
- From tax exempt income	4,919	11,448	16,684	21,803
- From Unitholders' contribution	3,242	11,827	5,288	14,953
	<u>57,723</u>	<u>56,684</u>	<u>115,307</u>	<u>116,226</u>

The accompanying notes form an integral part of the condensed interim financial information

Statements of Movements in Unitholders' Funds
Six-month period and financial year ended 31 December 2023

	<---- Attributable to ---->				
	Unitholders \$'000	CPPU holder \$'000	Total \$'000	Non- controlling interests \$'000	Total \$'000
Group					
Net assets attributable to owners at 1 July 2023	3,218,347	212,291	3,430,638	252,237	3,682,875
Operations					
Total return for the period	155,318	–	155,318	2,292	157,610
Less: Amount reserved for distribution to CPPU holder	(1,109)	1,109	–	–	–
Net increase in net assets resulting from operations	154,209	1,109	155,318	2,292	157,610
Transactions with owners					
Issue of new Units:					
- Manager's management fees paid/payable in Units	3,408	–	3,408	–	3,408
Distributions paid to Unitholders	(57,535)	–	(57,535)	–	(57,535)
Distributions paid to CPPU Holder	–	(1,091)	(1,091)	–	(1,091)
Net decrease in net assets resulting from transactions with owners	(54,127)	(1,091)	(55,218)	–	(55,218)
Movement in foreign currency translation reserve	(2,345)	–	(2,345)	–	(2,345)
Hedging transactions					
Effective portion of change in fair value of cash flow hedges	7,555	–	7,555	–	7,555
Hedging reserve transferred to statement of total return	(10,952)	–	(10,952)	–	(10,952)
Share of movements in hedging reserve of joint venture	(1,495)	–	(1,495)	–	(1,495)
Net movement in hedging transactions	(4,892)	–	(4,892)	–	(4,892)
At 31 December 2023	<u>3,311,192</u>	<u>212,309</u>	<u>3,523,501</u>	<u>254,529</u>	<u>3,778,030</u>

The accompanying notes form an integral part of the condensed interim financial information

Statements of Movements in Unitholders' Funds (continued)
Six-month period and financial year ended 31 December 2023

Group	<----- Attributable to ----->				
	Unitholders	CPPU	Total	Non-	Total
	\$'000	holder		controlling	
	\$'000	\$'000	\$'000	\$'000	\$'000
Net assets attributable to owners at 1 January 2023	3,240,073	212,309	3,452,382	254,985	3,707,367
Operations					
Total return for the year	200,109	–	200,109	5,670	205,779
Less: Amount reserved for distribution to CPPU holder	(2,200)	2,200	–	–	–
Net increase in net assets resulting from operations	197,909	2,200	200,109	5,670	205,779
Transactions with owners					
Issue of new Units:					
- Manager's management fees paid/payable in Units	6,179	–	6,179	–	6,179
Distributions paid to Unitholders	(114,432)	–	(114,432)	–	(114,432)
Distributions paid to CPPU Holder	–	(2,200)	(2,200)	–	(2,200)
Distributions paid to non-controlling interests	–	–	–	(6,000)	(6,000)
Net decrease in net assets resulting from transactions with owners	(108,253)	(2,200)	(110,453)	(6,000)	(116,453)
Movement in foreign currency translation reserve	(13,581)	–	(13,581)	–	(13,581)
Hedging transactions					
Effective portion of change in fair value of cash flow hedges	9,234	–	9,234	–	9,234
Hedging reserve transferred to statement of total return	(12,353)	–	(12,353)	(126)	(12,479)
Share of movements in hedging reserve of joint venture	(1,837)	–	(1,837)	–	(1,837)
Net movement in hedging transactions	(4,956)	–	(4,956)	(126)	(5,082)
At 31 December 2023	3,311,192	212,309	3,523,501	254,529	3,778,030

The accompanying notes form an integral part of the condensed interim financial information

Statements of Movements in Unitholders' Funds (continued)
Six-month period and financial year ended 31 December 2022

Group	<----- Attributable to ----->				
	Unitholders	CPPU	Total	Non-	Total
	\$'000	holder		controlling	
	\$'000	\$'000	\$'000	\$'000	\$'000
Net assets attributable to owners at 1 July 2022	3,127,443	212,291	3,339,734	245,779	3,585,513
Operations					
Total return for the period	218,162	–	218,162	9,107	227,269
Less: Amount reserved for distribution to CPPU holder	(1,109)	1,109	–	–	–
Net increase in net assets resulting from operations	217,053	1,109	218,162	9,107	227,269
Transactions with owners					
Issue of new Units:					
- Manager's management fees paid/payable in Units	3,999	–	3,999	–	3,999
Distributions paid to Unitholders	(58,961)	–	(58,961)	–	(58,961)
Distributions paid to CPPU Holder	–	(1,091)	(1,091)	–	(1,091)
Net decrease in net assets resulting from transactions with owners	(54,962)	(1,091)	(56,053)	–	(56,053)
Movement in foreign currency translation reserve	(32,572)	–	(32,572)	–	(32,572)
Hedging transactions					
Effective portion of change in fair value of cash flow hedges	(16,152)	–	(16,152)	205	(15,947)
Hedging reserve transferred to statement of total return	(2,603)	–	(2,603)	(106)	(2,709)
Share of movements in hedging reserve of joint venture	1,866	–	1,866	–	1,866
Net movement in hedging transactions	(16,889)	–	(16,889)	99	(16,790)
At 31 December 2022	3,240,073	212,309	3,452,382	254,985	3,707,367

The accompanying notes form an integral part of the condensed interim financial information

Statements of Movements in Unitholders' Funds (continued)
Six-month period and financial year ended 31 December 2022

Group	<----- Attributable to ----->				
	Unitholders	CPPU	Total	Non-	Total
	\$'000	holder		controlling	
	\$'000	\$'000	\$'000	\$'000	\$'000
Net assets attributable to owners at 1 January 2022	3,127,996	212,309	3,340,305	248,210	3,588,515
Operations					
Total return for the year	275,574	–	275,574	12,109	287,683
Less: Amount reserved for distribution to CPPU holder	(2,200)	2,200	–	–	–
Net increase in net assets resulting from operations	273,374	2,200	275,574	12,109	287,683
Transactions with owners					
Issue of new Units:					
- Manager's management fees paid/payable in Units	7,878	–	7,878	–	7,878
Distributions paid to Unitholders	(133,622)	–	(133,622)	–	(133,622)
Distributions paid to CPPU Holder	–	(2,200)	(2,200)	–	(2,200)
Distributions paid to non-controlling interests	–	–	–	(6,000)	(6,000)
Net decrease in net assets resulting from transactions with owners	(125,744)	(2,200)	(127,944)	(6,000)	(133,944)
Movement in foreign currency translation reserve	(48,544)	–	(48,544)	–	(48,544)
Hedging transactions					
Effective portion of change in fair value of cash flow hedges	7,291	–	7,291	520	7,811
Hedging reserve transferred to statement of total return	1,879	–	1,879	146	2,025
Share of movements in hedging reserve of joint venture	3,821	–	3,821	–	3,821
Net movement in hedging transactions	12,991	–	12,991	666	13,657
At 31 December 2022	3,240,073	212,309	3,452,382	254,985	3,707,367

The accompanying notes form an integral part of the condensed interim financial information

Statements of Movements in Unitholders' Funds (continued)
Six-month period and financial year ended 31 December 2023

	<----- Attributable to ----->		Total \$'000
	Unitholders \$'000	CPPU holder \$'000	
Trust			
Net assets attributable to owners at 1 July 2023	2,822,950	212,291	3,035,241
Operations			
Total return for the period	163,840	–	163,840
Less: Amount reserved for distribution to CPPU holder	(1,109)	1,109	–
Net increase in net assets resulting from operations	162,731	1,109	163,840
Transactions with owners			
Issue of new Units:			
- Manager's management fees paid/payable in Units	3,408	–	3,408
Distributions paid to Unitholders	(57,535)	–	(57,535)
Distributions paid to CPPU holder	–	(1,091)	(1,091)
Net decrease in net assets resulting from transactions with owners	(54,127)	(1,091)	(55,218)
Hedging transactions			
Effective portion of change in fair value of cash flow hedges	(2,810)	–	(2,810)
Hedging reserve transferred to statement of total return	(1,141)	–	(1,141)
Net movement in hedging transactions	(3,951)	–	(3,951)
At 31 December 2023	<u>2,927,603</u>	<u>212,309</u>	<u>3,139,912</u>

The accompanying notes form an integral part of the condensed interim financial information

Statements of Movements in Unitholders' Funds (continued)
Six-month period and financial year ended 31 December 2023

	<----- Attributable to ----->		Total \$'000
	Unitholders \$'000	CPPU holder \$'000	
Trust			
Net assets attributable to owners at 1 January 2023	2,826,265	212,309	3,038,574
Operations			
Total return for the year	214,836	–	214,836
Less: Amount reserved for distribution to CPPU holder	(2,200)	2,200	–
Net increase in net assets resulting from operations	212,636	2,200	214,836
Transactions with owners			
Issue of new Units:			
- Manager's management fees paid/payable in Units	6,179	–	6,179
Distributions paid to Unitholders	(114,432)	–	(114,432)
Distributions paid to CPPU holder	–	(2,200)	(2,200)
Net decrease in net assets resulting from transactions with owners	(108,253)	(2,200)	(110,453)
Hedging transactions			
Effective portion of change in fair value of cash flow hedges	(503)	–	(503)
Hedging reserve transferred to statement of total return	(2,542)	–	(2,542)
Net movement in hedging transactions	(3,045)	–	(3,045)
At 31 December 2023	2,927,603	212,309	3,139,912

The accompanying notes form an integral part of the condensed interim financial information

Statements of Movements in Unitholders' Funds (continued)
Six-month period and financial year ended 31 December 2022

	<----- Attributable to ----->		Total \$'000
	Unitholders \$'000	CPPU holder \$'000	
Trust			
Net assets attributable to owners at 1 July 2022	2,737,801	212,291	2,950,092
Operations			
Total return for the period	142,864	–	142,864
Less: Amount reserved for distribution to CPPU holder	(1,109)	1,109	–
Net increase in net assets resulting from operations	141,755	1,109	142,864
Transactions with owners			
Issue of new Units:			
- Manager's management fees paid/payable in Units	3,999	–	3,999
Distributions paid to Unitholders	(58,961)	–	(58,961)
Distributions paid to CPPU holder	–	(1,091)	(1,091)
Net decrease in net assets resulting from transactions with owners	(54,962)	(1,091)	(56,053)
Hedging transactions			
Effective portion of change in fair value of cash flow hedges	2,626	–	2,626
Hedging reserve transferred to statement of total return	(955)	–	(955)
Net movement in hedging transactions	1,671	–	1,671
At 31 December 2022	2,826,265	212,309	3,038,574

The accompanying notes form an integral part of the condensed interim financial information

Statements of Movements in Unitholders' Funds (continued)
Six-month period and financial year ended 31 December 2022

	<----- Attributable to ----->		Total \$'000
	Unitholders \$'000	CPPU holder \$'000	
Trust			
Net assets attributable to owners at 1 January 2022	2,732,611	212,309	2,944,920
Operations			
Total return for the year	215,819	–	215,819
Less: Amount reserved for distribution to CPPU holder	(2,200)	2,200	–
Net increase in net assets resulting from operations	213,619	2,200	215,819
Transactions with owners			
Issue of new Units:			
- Manager's management fees paid/payable in Units	7,878	–	7,878
Distributions paid to Unitholders	(133,622)	–	(133,622)
Distributions paid to CPPU holder	–	(2,200)	(2,200)
Net decrease in net assets resulting from transactions with owners	(125,744)	(2,200)	(127,944)
Hedging transactions			
Effective portion of change in fair value of cash flow hedges	4,561	–	4,561
Hedging reserve transferred to statement of total return	1,218	–	1,218
Net movement in hedging transactions	5,779	–	5,779
At 31 December 2022	2,826,265	212,309	3,038,574

The accompanying notes form an integral part of the condensed interim financial information

Interim Portfolio Statements
As at 31 December 2023

Description of property	Leasehold tenure	Remaining Term of Lease	Location	Existing use	----- Group -----			
					Carrying value at 31/12/2023 \$'000	Percentage of Unitholders' funds at 31/12/2023 %	Carrying value at 31/12/2022 \$'000	Percentage of Unitholders' funds at 31/12/2022 %
<i>Singapore</i>								
OUE Downtown Office								
OUE Downtown is a mixed-use development comprising a 50-storey building (OUE Downtown 1) and a 37-storey building (OUE Downtown 2), a retail podium and a multi-storey car park	OUE Downtown 1 and OUE Downtown 2: 99-year lease from 19 July 1967	43 years	6 Shenton Way, Singapore 068809 and 6A Shenton Way, Singapore 068815	Commercial	930,000	28	930,000	29
The Group owns the office components of OUE Downtown (OUE Downtown Office), comprising OUE Downtown 1 (Strata Lot U4628V) and OUE Downtown 2 (Strata Lot U4629P)								
One Raffles Place								
An integrated commercial development comprising One Raffles Place Tower 1, One Raffles Place Tower 2 and One Raffles Place Shopping Mall	One Raffles Place Tower 1: 841-year lease from 1 November 1985	803 years	1 Raffles Place, Singapore 048616	Commercial	1,909,000	58	1,909,000	59
	One Raffles Place Tower 2: 99-year lease from 26 May 1983	59 years						
The Group has an effective interest of 67.95% in One Raffles Place	One Raffles Place Shopping Mall: the retail podium straddles two land plots: - approximately 75% of the net lettable area ("NLA") of the retail podium is on a 99-year lease from 1 November 1985 - the balance 25% of the NLA of the retail podium is on an 841-year lease from 1 November 1985	61 years 804 years						

The accompanying notes form an integral part of the condensed interim financial information

Interim Portfolio Statements (continued)
As at 31 December 2023

Description of property	Leasehold tenure	Remaining Term of Lease	Location	Existing use	----- Group -----			
					Carrying value at 31/12/2023 \$'000	Percentage of Unitholders' funds at 31/12/2023 %	Carrying value at 31/12/2022 \$'000	Percentage of Unitholders' funds at 31/12/2022 %
Crowne Plaza Changi Airport An airport hotel situated within the vicinity of passenger terminals of Singapore Changi Airport and is connected to Jewel Changi Airport via a pedestrian bridge from Terminal 3.	74-year lease from 1 July 2009	60 years	75 Airport Boulevard, Singapore 819664	Hotel	519,000	15	460,200	14
Hilton Singapore Orchard A renowned upscale hotel with strong brand recognition. With 1,080 rooms, Hilton Singapore Orchard is the largest hotel located in the heart of Orchard Road.	99-year lease from 1 July 1957	33 years	333 Orchard Road, Singapore 238867	Hotel	1,346,000	41	1,250,000	39
Mandarin Gallery High-end retail mall with 152-metre frontage situated along Orchard Road, Singapore and is the preferred location for flagship stores of international brands.	99-year lease from 1 July 1957	33 years	333A Orchard Road, Singapore 238897	Retail	453,500	14	453,900	13

The accompanying notes form an integral part of the condensed interim financial information

Interim Portfolio Statements (continued)
As at 31 December 2023

Description of property	Leasehold tenure	Remaining Term of Lease	Location	Existing use	----- Group -----			
					Carrying value at 31/12/2023 \$'000	Percentage of Unitholders' funds at 31/12/2023 %	Carrying value at 31/12/2022 \$'000	Percentage of Unitholders' funds at 31/12/2022 %
<i>Shanghai</i>								
Lippo Plaza	50-year land use right commencing from 2 July 1994	21 years	222 Huaihai Zhong Road, Huangpu District, Shanghai, PRC 200021	Commercial	449,040	13	509,784	16
A 36-storey commercial building with retail podium at Shanghai, China excluding:								
(i) Unit 2 in Basement 1,								
(ii) the 12 th , 13 th , 15 th and 16 th floors and								
(iii) 4 car park lots								
Total investment properties					5,606,540	169	5,512,884	170
Investment in joint venture					353,719	11	347,332	11
Other assets and liabilities (net)					(2,182,229)	(66)	(2,152,849)	(66)
Net assets of the Group					3,778,030	114	3,707,367	115
Net assets attributable to CPPU holder					(212,309)	(6)	(212,309)	(7)
Net assets attributable to non-controlling interests					(254,529)	(8)	(254,985)	(8)
Unitholders' funds					3,311,192	100	3,240,073	100

The carrying value of Lippo Plaza as at 31 December 2023 in Renminbi is RMB 2,400,000,000 (31 December 2022: RMB 2,640,000,000).

The properties are leased to third parties except as otherwise stated in Note 12. Generally, the leases contain an initial non-cancellable period of 1 to 10 years (31 December 2022: 1 to 10 years). Subsequent renewals are negotiated with the respective lessees.

The accompanying notes form an integral part of the condensed interim financial information

Portfolio Statements (continued)
As at 31 December 2023

Description of property	Leasehold tenure	Remaining Term of Lease	Location	Existing use	----- Trust -----			
					Carrying value at 31/12/2023 \$'000	Percentage of Unitholders' funds at 31/12/2023 %	Carrying value at 31/12/2022 \$'000	Percentage of Unitholders' funds at 31/12/2022 %
<i>Singapore</i>								
OUE Downtown Office OUE Downtown is a mixed-use development comprising a 50-storey building (OUE Downtown 1) and a 37-storey building (OUE Downtown 2), a retail podium and a multi-storey car park	OUE Downtown 1 and OUE Downtown 2: 99-year lease from 19 July 1967	43 years	6 Shenton Way, Singapore 068809 and 6A Shenton Way, Singapore 068815	Commercial	930,000	32	930,000	33
The Trust owns the office components of OUE Downtown (OUE Downtown Office), comprising OUE Downtown 1 (Strata Lot U4628V) and OUE Downtown 2 (Strata Lot U4629P)								
Investment properties					930,000	32	930,000	33
Investment in joint venture					316,878	11	316,878	12
Other assets and liabilities (net)					1,893,034	64	1,791,696	63
Net assets of the Trust					3,139,912	107	3,038,574	108
Net assets attributable to CPPU holder					(212,309)	(7)	(212,309)	(8)
Unitholders' funds					2,927,603	100	2,826,265	100

The properties are leased to third parties except as otherwise stated in Note 12. Generally, the leases contain an initial non-cancellable period of 1 to 6 years (31 December 2022: 1 to 6 years). Subsequent renewals are negotiated with the respective lessees.

The accompanying notes form an integral part of the condensed interim financial information

Consolidated Statement of Cash Flows
Financial year ended 31 December 2023

	Group	
	Financial year ended	Financial year ended
	31 December	31 December
	2023	2022
	\$'000	\$'000
Cash flows from operating activities		
Total return for the year	205,779	287,683
Adjustments for:		
Amortisation of intangible asset	–	3,750
Write-off of intangible asset	–	5,417
Depreciation of plant and equipment	66	84
Finance costs	127,284	81,818
Finance income	(15,483)	(27,001)
Manager's fees paid/payable in Units	6,179	7,878
Net change in fair value of investment properties	(87,474)	(139,727)
Share of joint venture results	(16,886)	(37,108)
Loss on write-off of plant and equipment	–	2
(Write-back)/allowance for doubtful receivables	(162)	97
Tax expense	2,479	11,191
Operating income before working capital changes	221,782	194,084
Changes in working capital:		
Trade and other receivables	(1,139)	941
Trade and other payables	4,700	124
Cash generated from operating activities	225,343	195,149
Tax paid	(11,253)	(11,615)
Net cash from operating activities	214,090	183,534
Cash flows from investing activities		
Additions to plant and equipment	(40)	(166)
Payment for capital expenditure on investment properties	(10,568)	(47,639)
Dividends received from joint venture	8,662	15,652
Interest received	3,404	1,305
Net cash from/(used in) investing activities	1,458	(30,848)
Cash flows from financing activities		
Distributions paid to Unitholders	(114,432)	(133,622)
Distributions paid to CPPU holder	(2,200)	(2,200)
Distributions paid to non-controlling interests	(6,000)	(6,000)
Interest paid	(85,912)	(65,289)
Payment of transaction costs related to borrowings	(2,094)	(13,024)
Payment of lease liability	(1,009)	(1,000)
Proceeds from bank loans	446,882	1,233,000
Proceeds from issuance of Notes	–	150,000
Repayment of bank loans	(444,882)	(1,320,985)
Net cash used in financing activities	(209,647)	(159,120)

The accompanying notes form an integral part of the condensed interim financial information

Consolidated Statement of Cash Flows (continued)
Financial year ended 31 December 2023

	Group	
	Financial year ended	Financial year ended
	31 December	31 December
	2023	2022
	\$'000	\$'000
Net increase/(decrease) in cash and cash equivalents	5,901	(6,434)
Cash and cash equivalents at beginning of the year	49,482	59,549
Effect of exchange rate fluctuations on cash held	(1,158)	(3,633)
Cash and cash equivalents at end of the year	54,225	49,482

Significant non-cash transactions

During the year, there were the following significant non-cash transactions:

Financial period ended 31 December 2023

- a total of 21,999,691 Units, amounting to \$6,179,000 were or would be issued to the Manager as satisfaction of the Manager's management fees for the financial year.

Financial period ended 31 December 2022

- a total of 21,265,471 Units, amounting to \$7,878,000 were or would be issued to the Manager as satisfaction of the Manager's management fees for the financial year.

The accompanying notes form an integral part of the condensed interim financial information

Notes to the Financial Information

These notes form an integral part of the condensed interim financial statements.

1 General

OUE Real Estate Investment Trust (the “Trust”) is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 10 October 2013 (as amended) (the “Trust Deed”) between OUE REIT Management Pte. Ltd. (the “Manager”) and DBS Trustee Limited (the “Trustee”). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries (the “Group”) in trust for the holders (“Unitholders”) of units in the Trust (the “Units”).

The Trust was admitted to the Official List of Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 27 January 2014 (the “Listing Date”).

The principal activity of the Trust is to invest, directly or indirectly, in a portfolio of income-producing real estate used primarily for commercial purposes (including real estate used primarily for office and/or retail purposes) in financial and business hubs and hospitality and/or hospitality-related purposes, within and outside of Singapore, as well as real estate-related assets.

On 31 March 2021, OUE REIT completed the divestment of OUE Bayfront to OUE Allianz Bayfront LLP (formerly known as BPH Propco LLP), with DBS Trustee Limited, in its capacity as trustee of OUE REIT (the “Trustee”), holding 50.0% of OUE Allianz Bayfront LLP and the ACRE Angsana Pte. Ltd. (the “Allianz Investor”), a special purpose vehicle managed by Allianz Real Estate Asia Pacific Pte. Ltd holding the remaining 50.0% of OUE Allianz Bayfront LLP.

The consolidated condensed interim financial information (“Financial Information”) relates to the Trust and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interests in its joint venture.

The Group is regarded as a subsidiary of OUE Limited (“OUE”) for financial reporting purposes. Accordingly, the ultimate holding company of the Trust is Lippo ASM Asia Property Limited, a company incorporated in the Cayman Islands.

On 29 January 2024, OUE Commercial Real Estate Investment Trust changed its name to OUE Real Estate Investment Trust.

2 **Basis of preparation**

The Financial Information has been prepared in accordance with the recommendations of Statement of Recommended Accounting Practice (“RAP”) 7 “*Reporting Framework for Unit Trusts*” relevant to condensed interim financial information issued by the Institute of Singapore Chartered Accountants (“ISCA”), the applicable requirements of the Code on Collective Investment Schemes (the “CIS Code”) issued by the Monetary Authority of Singapore (the “MAS”) and the provisions of the Trust Deed. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards (“FRS”). The Financial Information does not include all the information required for a complete set of financial statements prepared in accordance with FRS Standards and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2022. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the last annual financial statements.

The Financial Information has been prepared on the historical cost basis, except for the investment properties and financial derivatives which are stated at their fair values.

The Financial Information is presented in Singapore dollars, which is the functional currency of the Trust. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

The preparation of the Financial Information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

The accounting policies applied by the Group in this Financial Information are consistent with those applied by the Group in its financial statements as at and for the year ended 31 December 2022 except for the adoption of the revised standards that are effective for annual periods beginning on 1 January 2023. The adoption of these new and revised standards did not have a material impact on the Group's Financial Information.

3 Investment properties

	----- Group -----		----- Trust -----	
	31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
At 1 January	5,539,164	5,409,748	930,000	902,000
Capital expenditure capitalised	22,460	40,436	819	1,292
Lease incentives	(554)	5,635	219	–
Fair value changes recognised in the statement of total return (unrealised)	84,527	139,727	(1,038)	26,708
Translation differences	(15,240)	(56,382)	–	–
At 31 December	5,630,357	5,539,164	930,000	930,000

As at 31 December 2023, investment properties with a carrying amount of \$930,000,000 (31 December 2022: \$930,000,000) are pledged as security to secure bank loans (see Note 7).

Measurement of fair value

(i) Fair value hierarchy

The investment properties are stated at fair value at the reporting date.

Properties	Valuer
31 December 2023	
OUE Downtown Office	Savills Valuation and Professional Services (S) Pte Ltd
One Raffles Place	Savills Valuation and Professional Services (S) Pte Ltd
Crowne Plaza Changi Airport	Cushman & Wakefield VHS Pte Ltd
Hilton Singapore Orchard	Cushman & Wakefield VHS Pte Ltd
Mandarin Gallery	Cushman & Wakefield VHS Pte Ltd
Lippo Plaza	CBRE (Shanghai) Management Limited
31 December 2022	
OUE Downtown Office	Cushman & Wakefield VHS Pte Ltd
One Raffles Place	Cushman & Wakefield VHS Pte Ltd
Crowne Plaza Changi Airport	Savills Valuation and Professional Services (S) Pte Ltd
Hilton Singapore Orchard	Savills Valuation and Professional Services (S) Pte Ltd
Mandarin Gallery	Savills Valuation and Professional Services (S) Pte Ltd
Lippo Plaza	CBRE (Shanghai) Management Limited

The fair values were derived based on the discounted cash flow, capitalisation and direct comparison methods. The valuation methods involve certain estimates including those relating to discount rate, terminal yield rate, capitalisation rate, price per square foot and price per room. The specific risks inherent in each of the properties are taken into consideration in arriving at the valuations.

The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The capitalisation method capitalises an income stream into a present value using single-year capitalisation rate. The direct comparison method involves the analysis of comparable sales of similar properties, with adjustments made to differentiate the comparables in terms of location, area, quality and other relevant factors.

In relying on the valuation reports, the Manager has exercised its judgment and is satisfied that the valuation methods and estimates used are reflective of the current market conditions.

The fair value measurement of all of the Group's investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

	31 December 2023 \$'000	31 December 2022 \$'000
Fair value of investment property (based on valuation report)	5,606,540	5,512,884
Add: Carrying amount of lease liability	22,817	25,280
Add: Prepayment of lease	1,000	1,000
Carrying amount of investment property	<u>5,630,357</u>	<u>5,539,164</u>

(ii) Valuation techniques and significant unobservable inputs

The following table shows the Group's valuation techniques used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation techniques	Significant unobservable inputs	Commercial (Singapore)	Commercial (China)	Hospitality (Singapore)	Inter-relationship between key unobservable inputs and fair value measurement
<i>Discounted cash flow method</i>	Discount rate				The estimated fair value would increase/(decrease) if: <ul style="list-style-type: none"> • discount rate was lower (higher); • terminal yield rate was lower (higher).
	At 31 December 2023	6.5% - 7.0%	7.5%	7.0% - 7.25%	
	At 31 December 2022	6.8% - 7.0%	7.0%	6.8%	
	Terminal yield rate				
	At 31 December 2023	3.8% - 5.8%	4.8%	5.0% - 6.0%	
	At 31 December 2022	3.5% - 5.8%	4.3%	5.0% - 5.8%	
<i>Capitalisation method</i>	Capitalisation rate				The estimated fair value would increase/(decrease) if the capitalisation rate was lower (higher).
	At 31 December 2023	3.5% - 5.0%	4.5%	–	
	At 31 December 2022	3.4% - 5.4%	4.0%	4.8% - 5.3%	
<i>Direct comparison method</i>	Price per square foot (psf)				The estimated fair value would increase/(decrease) if the price psf or per room was higher (lower).
	At 31 December 2023	\$1,755 - \$3,591	–	–	
	At 31 December 2022	\$1,755 - \$3,594	–	–	
	Price per room				
	At 31 December 2023	–	–	–	
	At 31 December 2022	–	–	\$0.8 million - \$1.2 million	

4 Investment in joint venture

	----- Group -----		----- Trust -----	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Interest in joint venture	353,719	347,332	316,878	316,878

The Group and Trust divested 50.0% interest in OUE Bayfront, OUE Tower and OUE Link (the “Property”) on 31 March 2021. The Property is now wholly-owned by a limited liability partnership known as OUE Allianz Bayfront LLP, with the Trustee, in its capacity as trustee of the Group, holding 50.0% of OUE Allianz Bayfront LLP and the ACRE Angsana Pte. Ltd. (the “PIMCO Investor”), a special purpose vehicle managed by PIMCO Prime Real Estate Asia Pacific Pte. Ltd. (formerly known as Allianz Real Estate Asia Pacific Pte. Ltd), holding the remaining 50.0% of OUE Allianz Bayfront LLP.

5 Trade and other receivables

	----- Group -----		----- Trust -----	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current				
Trade receivables from:				
- other related parties	7,861	6,495	–	–
- third parties	3,730	2,964	223	255
	11,591	9,459	223	255
Less: Allowance for doubtful receivables	(410)	(611)	–	–
	11,181	8,848	223	255
Interest receivables	1,187	988	602	988
Other receivables from:				
- subsidiaries	–	–	2,958	826
- other related parties	16	–	16	–
- joint venture	330	350	330	350
- third parties	7,562	8,009	551	535
	9,095	9,347	4,457	2,699
Deposits	273	265	3	3
	20,549	18,460	4,683	2,957
Prepayments	1,589	2,132	169	126
	22,138	20,592	4,852	3,083
Non-current				
Deposits	4,109	3,826	–	–
Prepayments	696	508	–	–
	4,805	4,334	–	–

6 Loans to a subsidiary

As at 31 December 2023, the Trust has:

- on-lent the proceeds of \$5.0 million (31 December 2022: \$20.0 million) from the issuance of the notes to OUE Hospitality Sub-Trust (“OUE H-Sub-Trust”) (see note 7(d)). The loan is unsecured and repayable on demand with a fixed rate of 3.95%. The loan is not expected to be repaid in the next twelve months from the reporting date; and
- lent a loan of \$27.1 million (31 December 2022: \$35.0 million) to OUE H-Sub-Trust. The loan is unsecured with a fixed margin + SORA per annum and matures in 2026.

7 Borrowings

	----- Group -----		----- Trust -----	
	31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Secured borrowings				
Amount repayable after one year	397,935	396,924	397,935	396,924
Total secured borrowings	<u>397,935</u>	<u>396,924</u>	<u>397,935</u>	<u>396,924</u>
Unsecured borrowings				
Amount repayable within one year, or on demand	–	327,618	–	–
Amount repayable after one year	1,657,184	1,324,917	396,862	395,544
Total unsecured borrowings	<u>1,657,184</u>	<u>1,652,535</u>	<u>396,862</u>	<u>395,544</u>
Total borrowings, net of amortised cost	<u>2,055,119</u>	<u>2,049,459</u>	<u>794,797</u>	<u>792,468</u>
Classified as:				
Current	–	327,618	–	–
Non-current	2,055,119	1,721,841	794,797	792,468
	<u>2,055,119</u>	<u>2,049,459</u>	<u>794,797</u>	<u>792,468</u>

The aggregate leverage was 38.2% (31 December 2022: 38.8%). The interest coverage ratio stood at 2.4 times^(a) (31 December 2022: 2.4 times^(a)).

^(a) Interest coverage ratio is calculated based on guidance under Monetary Authority of Singapore’s Code on Collective Investment Schemes, Property Funds Appendix 6 (last revised on 23 May 2023).

(a) Secured bank loans

The Group has secured term loans and revolving credit facilities of 4 to 5 years (31 December 2022: 4 to 5 years) which are secured on the following:

- investment property with a total carrying amount of \$930,000,000 (31 December 2022: \$930,000,000) (Note 3);

- assignment of insurance policies on the investment property, except public liability insurance;
- assignment of all rights, titles, benefits and interests in connection with the sale and tenancy agreements, tenancy deposits/proceeds, sales deposits/proceeds, property management agreements and the receivables of the investment property;
- a debenture incorporating a fixed charge over book debt, charged accounts, goodwill, intellectual property and plant and machinery and floating charge over generally all of the present and future assets of the Trust in connection with the investment property; and
- the account control or charge over certain bank accounts of the Trust.

(b) Unsecured bank loans

The Group has in place the following unsecured bank loans:

- a total of \$1,308.0 million (31 December 2022: \$1,308.0 million) committed bank loans and revolving credit facilities with banks. At the reporting date, \$1,268.0 million (31 December 2022: \$1,266.0 million) was drawn down; and
- \$150.0 million (31 December 2022: \$15.0 million) uncommitted revolving credit facility with a bank. At the reporting date, nil (31 December 2022: nil) was drawn down. The uncommitted revolving credit facility is repayable on demand.

(c) Unsecured notes

In March 2020, the Trust, through its wholly-owned subsidiary, OUE REIT Treasury Pte. Ltd. (formerly known as OUE CT Treasury Pte. Ltd.), established a \$2.0 billion Multicurrency Debt Issuance Programme (the “2020 Programme”). Under the 2020 Programme, OUE REIT Treasury Pte. Ltd. may from time to time issue notes and/or perpetual securities in series or tranches.

In May 2022, OUE REIT Treasury Pte. Ltd. issued notes amounting to \$150 million under the 2020 Programme (the “Notes”). On 30 October 2023, S&P Global Ratings assigned a BBB- investment grade rating with stable outlook to both the Trust and all outstanding notes (including the Notes) issued by OUE REIT Treasury Pte. Ltd.. As result of the rating assignment, under the terms of conditions of the Notes, the interest rate of the Notes has stepped down by 25 basis points from 4.20% to 3.95% effective for interest periods commencing on or after 5 November 2023.

The unsecured notes outstanding as at 31 December 2023 under the 2020 Programme is \$400.0 million (31 December 2022: \$400.0 million). The unsecured notes have fixed rates ranging from 3.95% to 4.20% per annum payable semi-annually in arrears and mature between 2025 and 2027.

The unsecured notes and the coupons relating thereto of all series will constitute direct, unconditional, unsubordinated and unsecured obligations of OUE REIT Treasury Pte. Ltd. and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than the subordinated obligations and priorities created by law) of OUE REIT Treasury Pte. Ltd.. All sums payable in respect of the unsecured notes will be unconditionally and irrevocably guaranteed by the Trustee, in its capacity as trustee of the Group.

(d) Loan from a subsidiary

OUE REIT Treasury Pte. Ltd. has on-lent the proceeds from the issuance of the notes to the Trust. The Trust has then on-lent \$5.0 million (31 December 2022: \$20.0 million) of the proceeds to OUE H-Sub-Trust.

8 Trade and other payables

	----- Group -----		----- Trust -----	
	31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Current				
Trade payables	2,146	2,316	189	939
Other payables due to:				
- the Manager	3,726	2,014	3,726	2,014
- subsidiaries	-	-	1,693	1,791
- related parties	16,453	3,022	-	-
- joint venture	454	497	454	497
- third parties	14,032	12,845	613	587
Advance rental received	2,539	1,246	143	481
Accrued expenses	29,006	29,346	12,476	13,548
Provisions [^]	-	3,933	-	3,933
Interest payable to:				
- a subsidiary	-	-	3,681	3,391
- third parties	7,550	5,898	-	-
Rental deposits				
- third parties	12,556	13,492	1,247	1,424
Other deposits				
- related parties	34	4	4	4
- third parties	1,844	1,658	338	311
	<u>90,340</u>	<u>76,271</u>	<u>24,564</u>	<u>28,920</u>
Non-current				
Rental deposits				
- related parties	627	316	316	316
- third parties	38,029	36,563	8,547	8,152
Provisions	2,999	2,999	2,999	2,999
	<u>41,655</u>	<u>39,878</u>	<u>11,862</u>	<u>11,467</u>

[^] This is in relation to the provision for income guarantee for the divestment of 50% interest in OUE Bayfront. The income guarantee has expired on 31 March 2023.

Other payables due to subsidiaries, related parties and joint venture are unsecured, interest-free and repayable on demand.

9 **Convertible perpetual preferred units**

In October 2015, the Group and the Trust issued 550 million Convertible Perpetual Preferred Units (“CPPU”) at \$1 per Unit to a substantial unitholder of the Trust which is also a related party of the Manager, as partial satisfaction of the purchase consideration for the subsidiaries acquired. The key terms and conditions of the CPPUs are as follows:

- the CPPU holder has the right to receive preferential non-cumulative distribution of an amount equivalent to 1.0% per annum of the issue price which may be declared by the Manager at its sole discretion;
- any preferential distribution or part thereof not due or payable shall not accumulate for the benefit of the CPPU holder or entitle the CPPU holder to any claim in respect thereof against the Trust, the Trustee and/or the Manager;
- the CPPUs rank senior to the Units in respect of the entitlement to participate in the distributions of the Trust and rank senior to the Units in respect of the entitlement to receive out of the assets of the Trust the amount equivalent to the number of CPPUs held by the CPPU holder multiplied by the issue price and outstanding preferred and special preferred distribution upon the liquidation of the Trust. The CPPUs rank junior to the claims of all other present and future creditors of the Trust;
- the CPPU holder has the sole right to convert the CPPUs into Units, provided that the number of CPPUs converted in each financial year shall not exceed one-third of the total number of CPPUs initially issued to the CPPU holder, at a conversion price of \$0.7154 per CPPU, being the adjusted conversion price pursuant to the rights issue undertaken by the Trust in October 2018. The CPPUs may not be converted into Units for a period of four years commencing from the date of issuance of the CPPUs on 8 October 2015;
- the Manager shall have the sole right to redeem any number of CPPUs for the time being issued and outstanding on a pro-rata basis at the issue price at all times;
- the Manager shall not declare distributions or pay any distributions to the Unitholders, or make any redemption, unless the Manager declares or pays distributions to the CPPU holder; and
- the CPPU holder does not have the right to attend and vote at the meetings of Unitholders except during such period as the preferred or special preferred distribution remains in arrears and unpaid for at least 12 months, or upon any resolution which varies or abrogates any right, preference or privilege of the CPPUs, or upon any resolution for the dissolution or winding up of the Trust.

On 1 June 2021, there was a partial redemption of 155.0 million CPPUs at \$1.00 per Unit.

The CPPUs are classified as equity instruments in the statement of financial position. The \$212,309,000 (31 December 2022: \$212,309,000) presented in the condensed interim statement of financial position represents the carrying value of the remaining 220.0 million CPPUs and the total return attributable to the CPPU holder from the last distribution date.

10 Units in issue and to be issued

	-----Group and Trust-----	
	31 December	31 December
	2023	2022
	'000	'000
Units in issue		
At 1 January	5,465,002	5,442,608
Creation of Units:		
- Manager's management fees paid in Units	20,913	22,394
At 31 December	5,485,915	5,465,002
Units to be issued		
Manager's management fees payable in Units	7,035	5,948
Units in issue and to be issued	5,492,950	5,470,950

11 Net asset value per Unit

		----- Group -----		----- Trust -----	
	Note	2023	2022	2023	2022
Net asset value per Unit					
is based on:					
- Net assets					
attributable to					
Unitholders (\$'000)		3,311,192	3,240,073	2,927,603	2,826,265
- Units in issue and to					
be issued at					
31 December ('000)	10	5,492,950	5,470,950	5,492,950	5,470,950

12 Revenue

	----- Group -----			
	Six-month period ended 31 December 2023 \$'000	Six-month period ended 31 December 2022 \$'000	Financial year ended 31 December 2023 \$'000	Financial year ended 31 December 2022 \$'000
Rental income	133,970	115,041	259,269	221,388
Service fee income	8,928	7,265	18,909	14,541
Carpark income	964	916	1,936	1,705
Others	2,466	2,511	5,091	4,015
Less: Business and other taxes	(75)	(63)	(150)	(142)
	146,253	125,670	285,055	241,507

Under the terms of the lease agreements for the properties, the Group and the Trust are generally entitled to a fixed rent component and/or a variable rent component computed based on a certain percentage of the revenue. Hilton Singapore Orchard is leased to a related party under a master lease arrangement. The lease contains an initial term of 15 years from 25 July 2013 with an option to renew for a further 15 years. Crowne Plaza Changi Airport is leased to a related party under a master lease agreement till 27 May 2028, with an option to renew for two consecutive terms of five years each.

Included in rental income is variable rent of \$3,806,000 (31 December 2022: \$2,293,000) recognised in the statement of total return for the Group.

Included in the revenue of the Group are amounts derived from related parties of \$99,770,000 (31 December 2022: \$69,744,000).

Other income consists of miscellaneous income such as utilities and annual license fee, which are recognised over time as the service is provided.

13 Net finance costs

	----- Group -----			
	Six-month period ended 31 December 2023 \$'000	Six-month period ended 31 December 2022 \$'000	Financial year ended 31 December 2023 \$'000	Financial year ended 31 December 2022 \$'000
Finance income				
Interest income	710	868	964	988
Ineffective portion of changes in fair value of cash flow hedges	1,684	314	2,040	2,177
Net change in fair value of derivatives	–	1,778	–	1,778
Hedging reserve transferred from unitholders' funds due to discontinuation of hedge accounting	–	22,058	–	22,058
Hedging reserve transferred to statement of total return	10,952	–	12,479	–
	13,346	25,018	15,483	27,001
Finance costs				
Amortisation of debt-related transaction costs	(2,747)	(11,119)	(5,667)	(14,740)
Interest paid/payable to banks	(56,622)	(36,906)	(99,427)	(66,208)
Net change in fair value of derivatives	(9,247)	–	(21,267)	–
Net foreign exchange loss	(5)	(102)	(42)	(149)
Financial liability measured at amortised cost – interest expense	(491)	(435)	(923)	(870)
	(69,112)	(48,562)	(127,326)	(81,967)
Net finance costs	(55,766)	(23,544)	(111,843)	(54,966)

14 Total return for the period/year before tax

Included in total return for the period/year before tax are the following:

	----- Group -----			
	Six-month period ended 31 December 2023 \$'000	Six-month period ended 31 December 2022 \$'000	Financial year ended 31 December 2023 \$'000	Financial year ended 31 December 2022 \$'000
Audit fees paid/payable to:				
- Auditors of the Trust	162	146	299	299
- Auditors of other firms affiliated with KPMG International Limited	30	25	55	53
Non-audit fees paid/payable to:				
- Auditors of the Trust#	46	33	78	65
- Auditors of other firms affiliated with KPMG International Limited#	2	(9)	6	6
Valuation fees	26	7	88	95

Non-audit fees paid to auditors of the Trust and other firm affiliated with KPMG International Limited include audit-related services of \$18,000 (31 December 2022: \$18,000).

15 Tax (credit)/expense

	----- Group -----			
	Six-month period ended 31 December 2023 \$'000	Six-month period ended 31 December 2022 \$'000	Financial year ended 31 December 2023 \$'000	Financial year ended 31 December 2022 \$'000
Current tax expense				
Current period/year	5,564	6,143	11,580	11,441
Changes in estimates relating to prior years	(36)	(113)	(36)	(113)
	5,528	6,030	11,544	11,328
Withholding tax	425	471	958	1,085
Deferred tax credit				
Origination and reversal of temporary differences	(10,393)	(1,654)	(10,023)	(1,222)
	(4,440)	4,847	2,479	11,191

16 Earnings per Unit

(i) Basic earnings per Unit

The calculation of basic earnings per Unit was based on the total return attributable to Unitholders and the weighted average number of Units, as set out below:

Total return attributable to Unitholders

	Group			
	Six-month period ended 31 December 2023 \$'000	Six-month period ended 31 December 2022 \$'000	Financial year ended 31 December 2023 \$'000	Financial year ended 31 December 2022 \$'000
Total return for the period/year attributable to Unitholders and CPPU holder	155,318	218,162	200,109	275,574
Less: Amount reserved for distribution to CPPU holder	(1,109)	(1,109)	(2,200)	(2,200)
Total return attributable to Unitholders	154,209	217,053	197,909	273,374

Weighted average number of Units

	Group			
	Six-month period ended 31 December 2023 '000	Six-month period ended 31 December 2022 '000	Financial year ended 31 December 2023 '000	Financial year ended 31 December 2022 '000
Units issued or to be issued at beginning of the period/year	5,479,523	5,459,367	5,470,950	5,449,685
Effect of Units issued during the period/year	3,231	2,849	7,060	7,505
Effect of Units to be issued as payment of the Manager's management fees payable in Units	38	32	20	16
Weighted average number of Units during the period/year	5,482,792	5,462,248	5,478,030	5,457,206

(ii) Diluted earnings per Unit

The calculation of diluted earnings per Unit was based on the total return attributable to Unitholders and CPPU holder and the weighted average number of Units, after adjustment for the effect of all dilutive potential Units, as set out below:

Total return attributable to Unitholders (diluted)

	----- Group -----			
	Six-month period ended 31 December 2023 \$'000	Six-month period ended 31 December 2022 \$'000	Financial year ended 31 December 2023 \$'000	Financial year ended 31 December 2022 \$'000
Total return attributable to Unitholders (basic)	154,209	217,053	197,909	273,374
Add: Amount reserved for distribution to CPPU holder	1,109	1,109	2,200	2,200
Total return attributable to Unitholders and CPPU holder (diluted)	155,318	218,162	200,109	275,574

Weighted average number of Units (diluted)

	----- Group -----			
	Six-month period ended 31 December 2023 '000	Six-month period ended 31 December 2022 '000	Financial year ended 31 December 2023 '000	Financial year ended 31 December 2022 '000
Weighted average number of Units (basic)	5,482,792	5,462,248	5,478,030	5,457,206
Effect of the Manager's fees paid/payable in Units	10,158	8,702	14,920	13,744
Effect of conversion of CPPUs into Units ⁽¹⁾	307,520	307,520	307,520	307,520
Weighted average number of Units (diluted)	5,800,470	5,778,470	5,800,470	5,778,470

⁽¹⁾ The weighted average number of Units includes the weighted average potential Units to be issued assuming all the remaining CPPUs were converted at \$0.7154 per Unit, being the adjusted conversion price pursuant to the rights issue.

17 Operating segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment net property income, as included in the internal management reports that are reviewed by the Board of Directors of the Manager. Segment net property income is used to measure performance as management believes that such information is the most relevant in evaluating the results of its segments relative to other entities that operate within the same industry.

Information about reportable segments

	Commercial \$'000	Hospitality \$'000	Total \$'000
Six-months ended 31 December 2023			
Revenue	94,830	51,423	146,253
Property operating expenses	(23,737)	(2,814)	(26,551)
Reportable segment net property income	71,093	48,609	119,702
Depreciation and amortisation	(32)	–	(32)
Finance income	4,862	8,484	13,346
Finance costs	(34,955)	(34,157)	(69,112)
Unallocated items			
- Expenses			(10,843)
Net income			53,061
Net change in fair value of investment properties			87,474
Share of joint venture results			12,635
Tax expense			4,440
Total return for the period			157,610
31 December 2023			
Non-current assets ⁽¹⁾	4,096,147	1,888,817	5,984,964
Six-months ended 31 December 2022			
Revenue	91,050	34,620	125,670
Property operating expenses	(19,686)	(2,673)	(22,359)
Reportable segment net property income	71,364	31,947	103,311
Other income	891	–	891
Depreciation and amortisation	(6,703)	–	(6,703)
Finance income	10,478	14,540	25,018
Finance costs	(26,591)	(21,971)	(48,562)
Unallocated items			
- Expenses			(10,377)
Net income			63,578
Net change in fair value of investment properties			139,727
Share of joint venture results			28,811
Tax expense			(4,847)
Total return for the period			227,269

⁽¹⁾ Excluding financial instruments

OUE Real Estate Investment Trust and its subsidiaries
Condensed Interim financial information
Six-month period and financial year ended 31 December 2023

	Commercial \$'000	Hospitality \$'000	Total \$'000
31 December 2022			
Non-current assets ⁽¹⁾	4,150,745	1,736,480	5,887,225
Year ended 31 December 2023			
Revenue	187,802	97,253	285,055
Property operating expenses	(44,419)	(5,669)	(50,088)
Reportable segment net property income	143,383	91,584	234,967
Depreciation and amortisation	(66)	–	(66)
Finance income	6,999	8,484	15,483
Finance costs	(69,851)	(57,475)	(127,326)
Unallocated items			
- Expenses			(19,160)
Net income			103,898
Net change in fair value of investment properties			87,474
Share of joint venture results			16,886
Tax expense			(2,479)
Total return for the year			205,779
31 December 2023			
Non-current assets ⁽¹⁾	4,096,147	1,888,817	5,984,964
Year ended 31 December 2022			
Revenue	173,137	68,370	241,507
Property operating expenses	(39,677)	(4,915)	(44,592)
Reportable segment net property income	133,460	63,455	196,915
Other income	8,766	–	8,766
Depreciation and amortisation	(9,251)	–	(9,251)
Finance income	12,241	14,760	27,001
Finance costs	(48,291)	(33,676)	(81,967)
Unallocated items			
- Expenses			(19,425)
Net income			122,039
Net change in fair value of investment properties			139,727
Share of joint venture results			37,108
Tax expense			(11,191)
Total return for the year			287,683
31 December 2022			
Non-current assets ⁽¹⁾	4,150,745	1,736,480	5,887,225

⁽¹⁾ Excluding financial instruments

Geographical information

The Group has two reportable segments, which are Singapore and China. The reporting segments operate in different countries and are managed separately because of the differences in operating and regulatory environment. For each of the reporting segments, the Board of Directors of the Manager reviews internal management reports on a regular basis.

Information about reportable segments

	Singapore \$'000	China \$'000	Total \$'000
Six-months ended 31 December 2023			
Revenue	135,078	11,175	146,253
Property operating expenses	(23,146)	(3,405)	(26,551)
Reportable segment net property income	111,932	7,770	119,702
Depreciation and amortisation	(30)	(2)	(32)
Finance income	12,766	580	13,346
Finance costs	(69,137)	25	(69,112)
Unallocated items			
- Expenses			(10,843)
Net income			53,061
Net change in fair value of investment properties			87,474
Share of joint venture results			12,635
Tax expense			4,440
Total return for the period			157,610
31 December 2023			
Non-current assets ⁽¹⁾	5,535,896	449,068	5,984,964
Six-months ended 31 December 2022			
Revenue	108,828	16,842	125,670
Property operating expenses	(20,346)	(2,013)	(22,359)
Reportable segment net property income	88,482	14,829	103,311
Other income	891	-	891
Depreciation and amortisation	(6,697)	(6)	(6,703)
Finance income	24,522	496	25,018
Finance costs	(48,578)	16	(48,562)
Unallocated items			
- Expenses			(10,377)
Net income			63,578
Net change in fair value of investment properties			139,727
Share of joint venture results			28,811
Tax expense			(4,847)
Total return for the period			227,269
31 December 2022			
Non-current assets ⁽¹⁾	5,377,408	509,817	5,887,225

⁽¹⁾ Excluding financial instruments

OUE Real Estate Investment Trust and its subsidiaries
Condensed Interim financial information
Six-month period and financial year ended 31 December 2023

	Singapore \$'000	China \$'000	Total \$'000
Year ended 31 December 2023			
Revenue	261,885	23,170	285,055
Property operating expenses	(44,854)	(5,234)	(50,088)
Reportable segment net property income	217,031	17,936	234,967
Depreciation and amortisation	(61)	(5)	(66)
Finance income	14,781	702	15,483
Finance costs	(127,177)	(149)	(127,326)
Unallocated items			
- Expenses			(19,160)
Net income			103,898
Net change in fair value of investment properties			87,474
Share of joint venture results			16,886
Tax expense			(2,479)
Total return for the year			205,779
31 December 2023			
Non-current assets ⁽¹⁾	5,535,896	449,068	5,984,964
Year ended 31 December 2022			
Revenue	214,436	27,071	241,507
Property operating expenses	(41,473)	(3,119)	(44,592)
Reportable segment net property income	172,963	23,952	196,915
Other income	8,766	–	8,766
Depreciation and amortisation	(9,223)	(28)	(9,251)
Finance income	26,394	607	27,001
Finance costs	(81,512)	(455)	(81,967)
Unallocated items			
- Expenses			(19,425)
Net income			122,039
Net change in fair value of investment properties			139,727
Share of joint venture results			37,108
Tax expense			(11,191)
Total return for the year			287,683
31 December 2022			
Non-current assets ⁽¹⁾	5,377,408	509,817	5,887,225

⁽¹⁾ Excluding financial instruments

18 Commitments

The Group and the Trust has the following commitments as at the reporting date:

Capital commitments

	----- Group -----		----- Trust -----	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Contracted but not provided for in the financial statements:				
- Expenditure in respect of investment properties	2,032	1,360	247	–

19 Related party transactions

In the normal course of the operations of the Trust, the Manager's management fee and Trustee's fee have been paid or are payable to the Manager and the Trustee respectively. Property management fees are payable to the Property Managers, related parties of the Manager.

During the financial period/year, other than the transactions disclosed elsewhere in the Financial Information, there were the following related party transactions:

	----- Group -----			
	Six-month period ended	Six-month period ended	Financial year ended	Financial year ended
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Hotel service expenses and professional fees paid/payable to related parties	1,109	834	1,986	1,636
Settlement of liabilities by related parties of the Manager on behalf of the Group and the Trust	47	45	75	66

20 Financial ratios

	----- Group -----			
	Six-month period ended 31 December 2023 %	Six-month period ended 31 December 2022 %	Financial year ended 31 December 2023 %	Financial year ended 31 December 2022 %
Expenses to weighted average net assets ¹				
- including performance component of the Manager's fees	0.47	1.09	0.60	0.92
- excluding performance component of the Manager's fees	0.37	1.09	0.55	0.92
Portfolio turnover rate ²	-	-	-	-

¹ The annualised ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group and, excluding property expenses and finance expenses.

² The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of daily average net asset value.

Other Information Required by Listing Rule Appendix 7.2

1 (a) Statement of Total Return and Distribution Statement

Please refer to pages 5-7 and section 8 on page 48.

(b)(i) Statements of Financial Position (Please refer to pages 3-4)

(1) Loan to a subsidiary

This relates to a loan to OUE H-Sub Trust.

(2) Trade and other receivables – Non-Current and Current

The Group's trade and other receivables increased mainly due to higher accrued variable rent receivables in 2H 2023.

(3) Borrowings – Non-current and Current

The Group's total borrowings increased as compared to 31 December 2022 mainly due to additional loan drawdown for capital expenditure.

(4) Loans from a subsidiary

At the Trust level, the loans from a subsidiary as at 31 December 2023 relate to the \$100.0 million notes issued in June 2020, \$150.0 million notes issued in June 2021 and \$150.0 million notes issued in May 2022 through the Trust's wholly owned subsidiary, OUE REIT Treasury Pte. Ltd., which were on-lent to the Trust.

(5) Trade and other payables - Non-current and Current

The Group and Trust's trade and other payables increased mainly due to provision for CPCA asset enhancement initiative works.

(6) Financial derivatives

Financial derivatives represent the fair value of the interest rate swaps ("IRS") entered to hedge the floating interest rate exposure of OUE REIT Group's borrowings. The movement for the financial year from 31 December 2022 to 31 December 2023 was mainly due to net changes in the fair value of the IRS during the year.

(7) Unitholders' funds

The increase in Unitholders' funds was mainly due to profits for the financial year as at 31 December and new Units issued relating to management fees payable in Units. This is partially offset by distribution paid to Unitholders, net movement in the fair value reserve of IRS and depreciation of the CNY against the SGD from 31 December 2022 to 31 December 2023.

(8) Non-controlling interests

OUE REIT holds an 83.33% indirect interest in OUBC. Non-controlling interests represent the equity in OUBC that is not attributable to OUE REIT Group.

The Group is in net current liabilities position as at 31 December 2023. Based on cash flow forecast, cash flow from operating activities and overall cash balance remain positive.

(b)(ii) Aggregate Amount of Borrowings and Debt Securities for OUE REIT Group

Please refer to pages 28-30.

(c) Consolidated Statement of Cash Flows (Please refer to pages 20-21)

- (1) In May 2022, the Group issued \$150.0 million notes due on 5 May 2027 in two tranches, under the 2020 Programme. The net proceeds have been utilised for repayment of OUE REIT's revolving loan facilities.
- (2) For purpose of the Consolidated Statement of Cash Flows, the Group's cash and cash equivalents comprise the following:

	31 Dec 2023 (\$'000)	31 Dec 2022 (\$'000)
Bank and cash balances	20,853	22,255
Short-term deposits	33,372	27,227
Cash and cash equivalents	54,225	49,482

(d)(i) Statement of Changes in Unitholders' Funds

Please refer to pages 8-15.

(d)(ii) Details of Any Changes in Units

Please refer to page 32.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by OUE REIT's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied

The accounting policies and methods of computation adopted in the preparation of the condensed interim financial statements for the current financial period are consistent with those described in the audited financial statements for the financial year ended 31 December 2022.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6 Earnings per Unit and Distribution per Unit

Earnings per Unit attributable to Unitholders (“EPU”)

	2H 2023	2H 2022
Weighted average number of Units	5,482,792,244	5,462,247,623
Basic EPU (cents)	2.81	3.97
Weighted average number of Units ⁽¹⁾	5,800,469,968	5,778,470,277
Diluted EPU (cents)	2.68	3.78

	FY 2023	FY 2022
Weighted average number of Units	5,478,029,631	5,457,206,290
Basic EPU (cents)	3.61	5.01
Weighted average number of Units ⁽¹⁾	5,800,469,968	5,778,470,277
Diluted EPU (cents)	3.45	4.77

Footnote:

(1) The weighted average number of Units includes the weighted average potential Units to be issued assuming all the remaining CPPUs are converted at the conversion price of \$0.7154 per Unit.

550.0 million CPPUs were issued in October 2015 as partial satisfaction of the purchase consideration for the acquisition of ORP. The CPPUs cannot be converted for a period of four years commencing from the date of issue (“Restriction Period”) save in certain limited circumstances and thereafter, not more than one-third of the CPPUs initially issued can be converted in any one year. After the Restriction Period, the CPPUs can be converted into Units at \$0.7154 per Unit and will impact the EPU upon conversion.

A total of 220.0 million CPPUs remain outstanding as at 31 December 2023. Assuming that the remaining 220.0 million CPPUs are fully converted at the conversion price, 307,520,268 units will be issued.

Distribution per Unit attributable to Unitholders (“DPU”)

	2H 2023	2H 2022
No of Units entitled to distribution	5,492,949,700 ⁽¹⁾	5,470,950,009 ⁽²⁾
Distribution per Unit (cents)	1.04	1.04 ⁽³⁾

	FY 2023	FY 2022
No of Units entitled to distribution	5,492,949,700 ⁽¹⁾	5,470,950,009 ⁽²⁾
Distribution per Unit (cents)	2.09	2.12 ⁽³⁾

Footnotes:

- (1) Comprises the Units in issue as at 31 December 2023 of 5,485,915,256 and Units to be issued to the Manager as satisfaction of Manager’s base fee for 4Q 2023 and performance fee payable for FY2023 of 7,034,444.
- (2) Comprises the Units in issue as at 31 December 2022 of 5,465,002,027 and Units to be issued to the Manager as satisfaction of Manager’s base fee payable for 4Q 2022 of 5,947,982
- (3) Includes \$4.6 million capital distribution from divestment of OUE Bayfront.

7 Net Asset Value per Unit and Net Tangible Asset per Unit attributable to Unitholders

	Group		Trust	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
No. of Units in issue and to be issued at end of year	5,492,949,700	5,470,950,009	5,492,949,700	5,470,950,009
Net asset value (“NAV”) per Unit (\$)	0.60	0.59	0.53	0.52
Net tangible asset (“NTA”) per Unit (\$)	0.60	0.59	0.53	0.52

The NAV per Unit and NTA per Unit are computed based on the Units in issue and to be issued as at the end of the financial year.

8 Review of the Performance

<u>Statement of Total Return</u>	Note	2H 2023 ⁽¹⁾ (\$'000)	2H 2022 ⁽²⁾ (\$'000)	Change (%)	FY 2023 ⁽¹⁾ (\$'000)	FY 2022 ⁽²⁾ (\$'000)	Change (%)
Revenue	(a)	146,253	125,670	16.4	285,055	241,507	18.0
- Commercial ⁽³⁾		94,830	91,050	4.2	187,802	173,137	8.5
- Hospitality ⁽⁴⁾		51,423	34,620	48.5	97,253	68,370	42.2
Property operating expenses		(26,551)	(22,359)	18.7	(50,088)	(44,592)	12.3
- Commercial ⁽³⁾		(23,737)	(19,686)	20.6	(44,419)	(39,677)	12.0
- Hospitality ⁽⁴⁾		(2,814)	(2,673)	5.3	(5,669)	(4,915)	15.3
Net property income	(a)	119,702	103,311	15.9	234,967	196,915	19.3
- Commercial ⁽³⁾		71,093	71,364	(0.4)	143,383	133,460	7.4
- Hospitality ⁽⁴⁾		48,609	31,947	52.2	91,584	63,455	44.3
Other income	(b)	–	891	NM	–	8,766	NM
Amortisation of intangible asset		–	(1,250)	NM	–	(3,750)	NM
Write-off of intangible asset		–	(5,417)	NM	–	(5,417)	NM
Manager's base fees	(c)	(8,095)	(7,998)	1.2	(16,011)	(15,756)	1.6
Manager's performance fees	(d)	(1,643)	–	NM	(1,643)	–	NM
Trustee's fee		(484)	(480)	0.8	(961)	(998)	(3.7)
Other expenses		(653)	(1,935)	(66.3)	(611)	(2,755)	77.8
Finance income		13,346	25,018	(46.7)	15,483	27,001	(42.7)
Finance costs		(69,106)	(48,460)	42.6	(127,284)	(81,818)	55.6
Net finance cost	(e)	(55,760)	(23,442)	NM	(111,801)	(54,817)	NM
Foreign exchange differences		(6)	(102)	(94.1)	(42)	(149)	(71.8)
Net income		53,061	63,578	(16.5)	103,898	122,039	(14.9)
Net change in fair value of investment properties	(f)	87,474	139,727	(37.4)	87,474	139,727	(37.4)
Share of joint venture results	(g)	12,635	28,811	(56.1)	16,886	37,108	(54.5)
Total return for the period/year before tax		153,170	232,116	(34.0)	208,258	298,874	(30.3)
Tax expense		4,440	(4,847)	NM	(2,479)	(11,191)	(77.8)
Total return for the period/year	(h)	157,610	227,269	(30.7)	205,779	287,683	(28.5)

NM: Not meaningful

Footnotes:

- (1) The current period results of OUE REIT's foreign subsidiaries are translated using the SGD:CNY rate of 1:5.2516 for 2H 2023 and 1:5.2743 for FY 2023.
- (2) The prior period results of OUE REIT's foreign subsidiaries are translated using the SGD:CNY rate of 1:5.047 for 2H 2022 and 1:4.897 for FY 2022.
- (3) Commercial comprised One Raffles Place, Lippo Plaza, OUE Downtown Office and Mandarin Gallery.
- (4) Hospitality comprised Hilton Singapore Orchard and Crowne Plaza Changi Airport.

Review of OUE REIT Group’s performance for the six months period from 1 July 2023 to 31 December 2023 (“2H 2023”) vs 1 July 2022 to 31 December 2022 (“2H 2022”) and FY 2023 vs FY 2022

- (a) 2H 2023 revenue of \$146.3 million and net property income of \$119.7 million were 16.4% and 15.9% higher respectively as compared to 2H 2022. FY 2023 revenue and net property income increased to \$285.1 million and \$235.0 million respectively compared to FY 2022. Higher revenue and net property income was mainly due to better performance by both commercial and hospitality segments.
- (b) Other income comprises income support relating to the top up payments from OUE Limited’s subsidiary (the “Sponsor Group”) pursuant to the Deed of Income Support dated 1 November 2018 (the “Deed of Income Support”).

The income support has been fully drawn down in 3Q 2022.

- (c) Manager’s base management fee is calculated as 0.3% p.a. of the value of the deposited properties of the Group. Manager has elected to receive 65% of the base management fees in cash, with the balance 35% in the form of new Units.
- (d) A performance fee is payable if the DPU in any financial year exceeds the DPU in the preceding financial year, excluding any capital distribution top-up in both years. The performance fee is derived based on 25% per annum of the difference in DPU in a financial year with the DPU in the preceding full financial year (calculated before accounting for the performance fee but after accounting for the base fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year.

In FY 2022, there was a capital distribution top-up of \$4.6 million from the divestment of 50% interest in OUE Bayfront, which has been excluded for purpose of determining the performance fee in accordance with the Trust Deed.

- (e) 2H 2023 and FY2023 net finance cost increased \$32.3 million and \$57.0 million year-on-year mainly attributable to 1) interest paid/payable to banks increased by \$7.2m and \$20.7m respectively, arising from the higher SORA rate; 2) change in fair value of derivatives; and 3) discontinuation of hedge accounting on certain IRS.
- (f) Net fair value gain on investment properties for FY 2023 was \$87.5 million as compared to fair value gain of \$139.7 million in the prior year.
- (g) Share of joint venture results represents OUE REIT’s 50.0% interest in OUE Allianz Bayfront LLP results. The decrease was mainly due to higher finance costs.
- (h) Total return recorded for 2H 2023 was \$157.6 million, compared to total return of \$227.3 million in 2H 2022. Total return for FY 2023 was \$205.8 million compared to total return of \$287.7 million in FY 2022.

9 Variance between Actual and Forecast Results

OUE REIT has not made any forecast.

10 Commentary on the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

Singapore

According to advanced estimates by the Ministry of Trade and Industry (“MTI”), Singapore’s GDP grew by 2.8% year-on-year (YoY) in the fourth quarter (4Q) of 2023, surpassing the 1.0% growth in the third quarter (3Q) of 2023. On a quarter-on-quarter (QoQ) seasonally-adjusted basis, the economy expanded by 1.7% in 4Q 2023, following a 1.3% expansion in the preceding quarter. Growth was primarily driven by the services-producing industries, which grew by 2.4% YoY, led by the information and communications, finance and insurance, and professional services sectors. The wholesale and retail trade, as well as the transportation and storage sectors, collectively experienced growth of 1.5% YoY in 2023, building upon a 1.3% expansion in the previous quarter. The accommodation and food services, real estate, administrative and support services, and other service sectors continued to grow at 2.0% YoY, in line with the ongoing recovery in tourist arrivals. The manufacturing sector expanded by 3.2% YoY in 4Q 2023, reversing a 4.7% decline in the previous quarter, due to output expansions across all clusters, except for the precision engineering cluster. For the year 2023, the economy grew by 1.2%, moderating from the 3.6% growth in 2022. MTI projects Singapore’s economy to grow by 1.0% to 3.0% in 2024.

According to CBRE, broad office leasing sentiment in Singapore exceeded expectations in 4Q 2023, driven by continued back-to-office trends and a decline in shadow space. Although Core Central Business District (CBD) Grade A vacancies slightly increased to 3.5% in 4Q 2023, compared to 3.2% in 3Q 2023, rents continued to inch up 0.4% QoQ in 4Q 2023 to S\$11.90 psf per month. For FY 2023, growth in Core CBD Grade A rents slowed to 1.7% YoY, marking a notable moderation from the 8.3% growth in 2022. In the near term, an uncertain global economy, softening leasing demand, and new supply may pose market headwinds to Singapore’s office market. Nevertheless, buoyed by the ongoing flight-to-quality and flight-to-green trends, CBRE expects rents for core CBD Grade A offices to experience moderate growth in 2024.

From January to November 2023, international visitor arrivals reached 12.4 million, within the 12 million to 14 million arrivals forecasted by Singapore Tourism Board’s (STB) forecast for the full year. The strong concert pipeline alongside major events are expected to provide a boost to the hospitality sector in 2024. The 30-day visa-free arrangement between China and Singapore, starting from 9 February, is also set to further accelerate tourism recovery.

Singapore’s retail leasing demand remained strong in 4Q 2023, underpinned by continued optimism among retailers amidst the year-end festive season. According to CBRE, Orchard Road retail rents outperformed other submarkets, rising 1.5% QoQ to S\$36.3 psf per month, driven by retailers’ confidence in the ongoing recovery of the tourism sector. In the near term, challenges such as manpower shortages, competition from e-commerce, and higher operating costs will persist. However, overall rents are expected to continue their growth trajectory, supported by sustained demand for prime retail spaces as well as below-historical-average new supply.

China

China's economy grew by 5.2% QoQ in the fourth quarter of 2023. For the full year of 2023, the GDP expanded by 5.2%, aligning with the government's expectations. Investment in fixed assets (excluding rural households) increased by 3.0% year-on-year. In December 2023, industrial production saw a 6.8% increase year-on-year. Meanwhile, retail sales in December grew by 7.4% year-on-year.

However, weak consumer and business confidence, concerns about the real estate market, and global macroeconomic uncertainties are expected to weigh on the economy. In December 2023, the national Consumer Price Index (CPI) decreased by 0.3% year-on-year. In particular, prices in urban areas decreased by 0.3%. As part of its policy support to stimulate the economy, the central bank has stepped up efforts to increase the official deficit. Starting from 5 February 2024, it will reduce the reserve requirement ratio by 50 basis points, the largest cut in two years. This move allows banks to hold smaller cash reserves and encourages them to lend to qualified developers.

According to Colliers International, 1.11 million square meters (sqm) of new supply entered Shanghai's Grade A office market – the highest new supply in the last five years. Despite a slight recovery in demand in 4Q 2023, CBD Grade A office vacancies remained high at 13.5%, while rents declined by 1.5% QoQ to a historical low of RMB 8.62 per sqm per day. With a total of 910,000 sqm of new supply entering the CBD market between 2024 – 2028, Shanghai's CBD Grade A Office new supply is expected to peak in 2024 and rental growth to recover from 2025. In the face of continued market headwinds, the Manager is adopting proactive leasing and flexible asset management strategies for Lippo Plaza.

Overall

Despite macroeconomic uncertainties and slower-than-expected economic growth in Singapore, the Manager remains confident that OUE REIT's prime portfolio of hospitality and commercial assets will continue to provide stable performance for Unitholders.

In the commercial sector, leveraging on their prime locations and well-diversified tenant mix, OUE REIT's green-certified core Grade A office assets are well-positioned to capitalize on the continued demand for green-certified buildings.

Meanwhile, as global air travel volume is expected to make a full recovery early this year, OUE REIT's hospitality assets are well-positioned to capitalize on the anticipated increase in tourists and business travellers in 2024 and beyond.

With a strong capital structure foundation established, the Manager will continue to manage the balance sheet prudently and enhance financial flexibility to support OUE REIT's future growth.

⁽¹⁾ Singapore Ministry of Trade and Industry Press Release, 2 January 2024

⁽²⁾ CBRE, Singapore Figures Q4 2023

⁽³⁾ Singapore Tourism Board Visitor Arrivals Statistics

⁽⁴⁾ National Bureau of Statistics of China Press Release, 17 January 2024

⁽⁵⁾ Colliers International, Shanghai Grade A Office Market 2023 Q4, 28 December 2023

11 Distribution

(a) Current financial period

Any distribution declared for the current financial period? Yes.

Unitholders

Name of distribution: Distribution for the financial period from 1 July 2023 to 31 December 2023

Distribution type: (i) Taxable income distribution
(ii) Tax exempt income distribution
(iii) Capital distribution

Distribution rate: 1.04 cents per Unit comprises:-
(i) Taxable income distribution: 0.92 cents per Unit
(ii) Tax exempt income distribution: 0.09 cents per Unit
(iii) Capital distribution: 0.03 cents per Unit

CPPU Holder

Name of distribution: Distribution for the financial period from 1 July 2023 to 31 December 2023

Distribution rate/ type: \$1,109,041.10 which represents 1% p.a. of CPPU based on the issue price of \$1.00 per CPPU comprising taxable income distribution, tax exempt income distribution and capital distribution

Tax rate: Taxable income distribution
Individuals who receive such distribution as investment income (excluding income received through partnership in Singapore or from the carrying on of a trade, business or profession) will be exempted from tax.

Qualifying corporate investors will receive pre-tax distributions and pay tax on the distributions at their respective tax rates unless otherwise exempt.

Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax exempt where the distributions received are returned to their respective CPF and SRS accounts.

Qualifying foreign non-individual investors and foreign funds will receive their distribution after deduction of tax at the rate of 10%. All other investors will receive their distribution after deduction of tax at the rate of 17%.

Tax-exempt income distribution

Tax-exempt income distribution is exempt from tax in the hands of all Unitholders, regardless of their nationality, corporate identity or tax residence status.

Capital distribution

The capital distribution is treated as return of capital to Unitholders for Singapore income tax purpose and is therefore not subject to Singapore income tax. For Unitholders who are liable to Singapore income tax on profits from sales of Units, the amount of capital distribution will be applied to reduce the cost base of their Units for Singapore income tax purposes.

Book closure date: 6 February 2024

Date payable: 28 February 2024

(b) Corresponding period of the immediately preceding financial year

Any distribution declared for the corresponding period of the immediate preceding financial period? Yes.

Unitholders

Name of distribution: Distribution for the financial period from 1 July 2022 to 31 December 2022

Distribution type: Taxable income distribution

Distribution rate: 1.04 cents per Unit comprises:-
(i) Taxable income distribution: 0.61 cents per Unit
(ii) Tax exempt income distribution: 0.21 cents per Unit
(iii) Capital distribution: 0.22 cents per Unit

CPPU Holder

Name of distribution: Distribution for the financial period from 1 July 2022 to 31 December 2022

Distribution rate/ type: \$1,109,041.10 which represents 1% p.a. of CPPU based on the issue price of \$1.00 per CPPU comprising taxable income distribution, tax exempt income distribution and capital distribution

Tax rate: Taxable income distribution
Individuals who receive such distribution as investment income (excluding income received through partnership in Singapore or from the carrying on of a trade, business or profession) will be exempted from tax.

Qualifying corporate investors will receive pre-tax distributions and pay tax on the distributions at their respective tax rates unless otherwise exempt.

Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax exempt where the distributions received are returned to their respective CPF and SRS accounts.

Qualifying foreign non-individual investors and foreign funds will receive their distribution after deduction of tax at the rate of 10%.

All other investors will receive their distribution after deduction of tax at the rate of 17%.

Tax-exempt income distribution

Tax-exempt income distribution is exempt from tax in the hands of all Unitholders, regardless of their nationality, corporate identity or tax residence status.

Capital distribution

The capital distribution is treated as return of capital to Unitholders for Singapore income tax purpose and is therefore not subject to Singapore income tax. For Unitholders who are liable to Singapore income tax on profits from sales of Units, the amount of capital distribution will be applied to reduce the cost base of their Units for Singapore income tax purposes.

Book closure date: 7 February 2023

Date payable: 28 February 2023

12 If no distribution has been declared / recommended, a statement to that effect

Not applicable.

13 If OUE REIT has obtained a general mandate from Unitholders for interested person transactions, the aggregate value of such transactions are required under Rule 920(1)(a)(ii). If no interested person transactions mandate has been obtained, a statement to that effect.

OUE REIT did not obtain a general mandate from Unitholders for interested person transactions.

14 Segment Information by Geographical Segment

Please refer to pages 40-41.

15 In the review of the performance, the factors leading to any material changes in contribution to turnover and earnings by the business or geographical segments

Please refer to Section 8 for the review of the actual performance.

16 Breakdown of Revenue

	FY 2023 (\$'000)	FY 2022 (\$'000)	Change (%)
Revenue for first half year	138,802	115,837	19.8
Total return for first half year	48,169	60,414	(20.3)
Revenue for second half year	146,253	125,670	16.4
Total return for second half year	157,610	227,269	(30.7)

17 Breakdown of Total Annual Distribution

	FY 2023 (\$'000)	FY 2022 (\$'000)
1 July 2021 to 31 December 2021	–	74,661
1 January 2022 to 30 June 2022	–	58,961
1 July 2022 to 31 December 2022 ⁽¹⁾	56,897	–
1 January 2023 to 30 June 2023	57,535	–

Footnote:

⁽¹⁾ Refer to Section 11 for details of the distribution.

18 Confirmation pursuant to Rule 704(13) of the Listing Manual

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Manager confirm that there is no person occupying a managerial position in Manager, who is related to a director or the chief executive officer or a substantial shareholder of the Manager or a substantial of unitholder of OUE REIT.

19 Confirmation pursuant to Appendix 7.7 under Rule 720(1) of the Listing Manual

We, on behalf of the Directors of OUE REIT Management Pte. Ltd. (as Manager of OUE REIT), hereby confirm that the undertakings from all its directors and executive officer as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

On behalf of the Board of the Manager

Lee Yi Shyan
Chairman and Non-Executive Director

Han Khim Siew
Chief Executive Officer and Executive Director

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

The value of units in OUE REIT ("Units") and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. The past performance of OUE REIT is not necessarily indicative of the future performance of OUE REIT.

Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

By Order of the Board

Kelvin Chua
Company Secretary

OUE REIT Management Pte. Ltd.
(as Manager of OUE Real Estate Investment Trust)
(Company registration no. 201327018E)

29 January 2024